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Kernan Announces Major Modernization of Department of Commerce; State Economic Development

INDIANAPOLIS — Building on the historic restructuring of Indiana's tax system, Lt. Governor Joe Kernan today announced another major restructuring effort: the Indiana Department of Commerce will reorganize, modernizing the way it supports Hoosier communities and businesses.

Joining economic development and business leaders in the *Tomorrow's Indiana* gallery at the new State Museum, Kernan unveiled the new Commerce structure. The reorganization creates 12 new field offices to better serve the individual needs of Indiana's various economies.

In addition, Commerce's central structure will streamline 13 divisions into two teams – program operations and professional services. The plan also creates a set of economic benchmarks for success, as well as an advisory council for the department.

"This is the result of a year of input from leaders throughout the state, meticulous research and hard work," said Kernan, who serves as director of the Indiana Department of Commerce. "This new approach allows us to serve our communities better, and will result in a stronger statewide economy. Coupled with our new tax structure, Indiana is now in a far better position for economic development than it was just a few months ago."

"This is a bold, innovative plan, and one that we are very excited about," said Governor Frank O'Bannon. "What works in Fort Wayne may be different than what works in Bloomington, and this plan recognizes that. This new approach allows Commerce to better meet the specific needs of a community and region. I welcome the creativity and vision by the Lieutenant Governor and his team, and I support this initiative's focus on building capacity on the local level."

The new regional offices will be located in Gary, South Bend, Fort Wayne, Lafayette, Kokomo, Muncie, Terre Haute, Bloomington, Madison, Evansville and New Albany. The existing Indianapolis office will serve as both a regional office and central headquarters. Each office will serve between four and 11 counties, acting as a "one-stop" shop for all economic development activities. **For maps of the new regions, go to www.indianacommerce.com/reorganization.**

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The program operations and professional services teams will be based in the current Commerce offices in Indianapolis. Program operations will include the divisions of economic development, community development and regional operations. Its program areas will include business retention and attraction, international trade, tourism, small and minority business development, energy policy, regional office operation, professional development, rural development, Indiana Main Street, capacity building, certified sites and ombudsman services.

The professional services team will include marketing, advertising and public relations; research and information services; and internal operations, finance and administration.

A new statewide advisory council of up to 21 members will also be appointed to advise the Lieutenant Governor and Commerce in economic development policies. It will be comprised of representatives from each of the 12 regions, plus representatives of the Governor, Lieutenant Governor, Speaker of the House and Senate President Pro Tem.

Established by executive order, the new Commerce structure will be in place by October 1, 2002. To staff the new organization, 12 regional director positions will be created, previously vacant staff positions will be filled, and some current staff will be moved to the regional offices.

Moreover, Commerce established a set of consistent barometers by which it will measure its success – per capita income, educational attainment, exports by small and medium-sized firms, small business creation and new patents in the state.

“This is a big change in how we help build business, create jobs and support communities in Indiana. We are confident it will generate lasting positive outcomes throughout the state,” said Tom McKenna, executive director of the Indiana Department of Commerce. “As we’ve gathered input from our customers, as well as business and community leaders, they have been exceptionally supportive for this regional effort.”

“Economic development is done on the local level and this plan will bring Commerce closer to the action,” said Greg Wathen, president of the Indiana Economic Development Association. “The new structure offers the promise for both state and local officials to better serve our communities.”

The Commerce reorganization comes after more than a year of working with a national economic consulting firm, Market Street Services, Inc. After reviewing economic development practices within the state and throughout the nation, the firm created an Economic and Demographic Profile of Indiana; a Competitive Assessment of Indiana’s Business Climate; Models and Options of Statewide Delivery Systems; and an Analysis of Innovative Practices in Economic and Community Development across the nation.

Last fall, regional meetings were held in South Bend, Indianapolis, Jeffersonville and Evansville, seeking input from local economic development officials. A report on those meetings was also created. All reports are available on Commerce’s Web site at www.indianacommerce.com, with new regional and final reports available after July 25.

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Next week the Lieutenant Governor will return to South Bend on July 22, to Evansville and Jeffersonville on July 24, and Indianapolis on July 25 to host follow-up regional meetings. In those meetings Kernan will speak to state and local leaders on the specifics of the plan and how the new Department of Commerce will function.

For more information on the reorganization of the Department of Commerce, or to receive media packets with new regional maps, visit the Web site at www.indianacommerce.com/reorganization, or call Jeff Harris, media relations director, at 317.232.2464.

Media Opportunities:

A Satellite uplink will be available from 1:30 p.m. to 1:45 p.m. on Wednesday, July 17 at coordinates Galaxy 3 C9.

Also on July 17, for media unable to attend the news conference, the Lieutenant Governor will be available for a statewide teleconference from 1:30 p.m. to 2:15 p.m. To join the teleconference complete the following steps:

- 1. Dial 317. 713. 0002*
- 2. After connecting, enter 20021, followed by the # sign. (20021#)*
- 3. Announce your entry into the call (please provide name and news organization)*

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